



Rail Enhancement Fund
Project Application Form

Internal Use

2010006
DRPT Tracking #

Date: January 30, 2009

Name of Applicant (Name and Address)

Norfolk Southern Railway Company
Three Commercial Place
Norfolk, VA 23510

Applicant type:

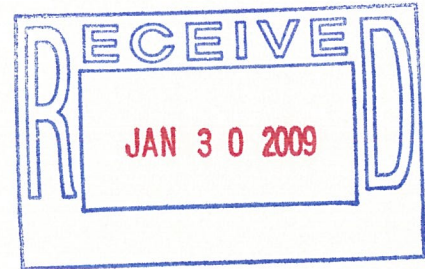
☐ Passenger Railroad

☒ Freight Railroad

☐ Locality

☐ Business

☐ Other _____



A. Contact Information:

Responsible Person/Title: Sarah Quisenberry, Director Strategic Planning

Telephone: 757-629-2686 Fax: 757-533-4884 Email: sarah.quisenberry@nscorp.com

Project Manager/Title: Sarah Quisenberry, Director Strategic Planning

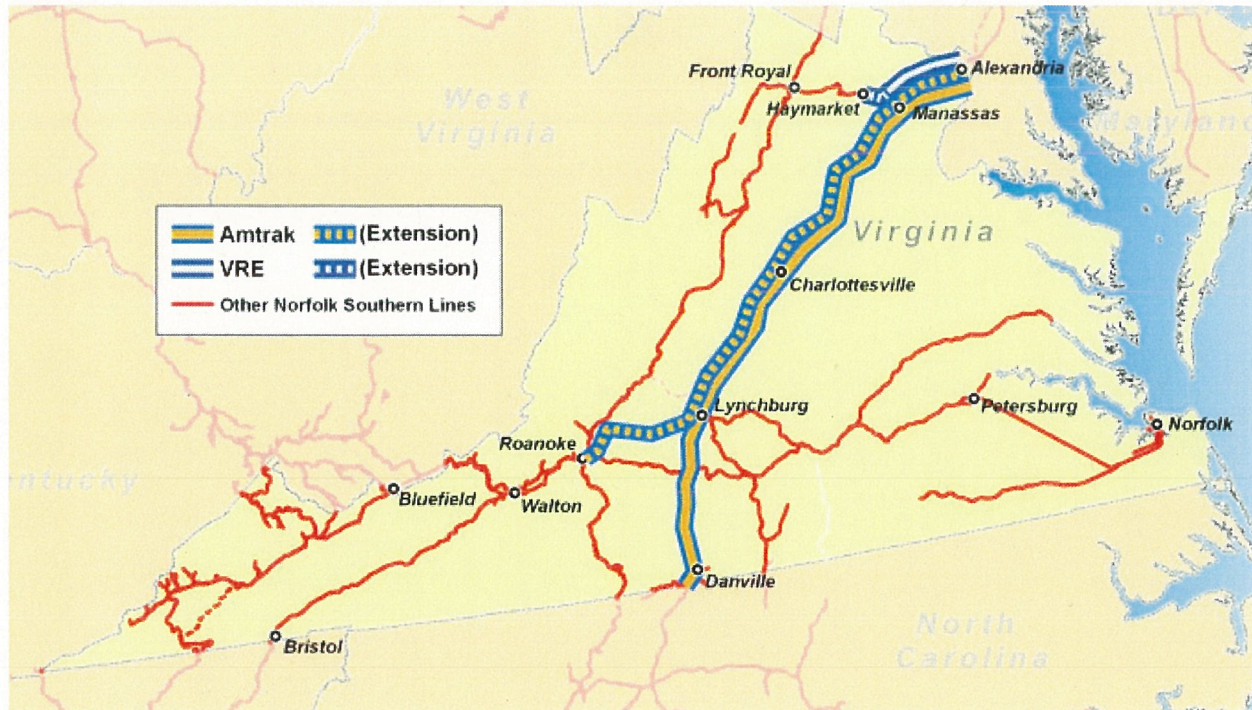
Telephone: 757-629-2686 Fax: 757-533-4884 Email: sarah.quisenberry@nscorp.com

B. Project Title: Passenger Corridor Initiatives

D. Project Location: (City/County, Rail line, Railroad Mile Post, attach map)

The Passenger Corridor is comprised of the NS mainlines in Virginia that either have Amtrak or commuter operations on them or have been the subject of discussions with DRPT, Amtrak and/or VRE for possible future passenger operations. (see map next page)

Project: Alexandria – Manassas Passenger Capital Requirements



E. Owner of Property/Right-of-Way/Facility/Personal Property:
Norfolk Southern Railway Company owns the mainline track rights-of-way, tunnels, bridges, and related appurtenances.

F. Responsible Party for Continuous Maintenance of Project:
Norfolk Southern Railway Company. This application is for capital costs only. NS will assume all ongoing maintenance cost responsibilities.

G. Project Information:

1) Description of Project:

Amtrak and VRE trains currently operate on NS track and are in discussions with NS to expand their operations. VRE operates on NS tracks from Alexandria to Manassas and proposes extending that service to Haymarket. Amtrak operates the Crescent over NS tracks from DC through Lynchburg and on south. Amtrak, DRPT and NS are actively discussing the possible introduction of new Amtrak service between DC and Lynchburg, as well as the possible extension of that service to Roanoke. NS is not opposed to passenger services as long the NS' freight capacity, both for today's traffic and tomorrow's, is protected. Passenger service operators must provide infrastructure and capacity to support passenger and freight and growth.

Generally passenger trains require track to be maintained to a higher speed standard as those trains operate at a faster speed than freight trains. Where passenger trains operate today, the track is already maintained for passenger speeds, but where new service is planned, a major cost will be upgrading the track to sustain the higher passenger speeds.

One project is proposed for consideration for Rail Enhancement Funding.

Passenger Corridor Projects	Start Year	Benefits	Cost (millions)
Alexandria - Manassas	2010	Passenger service	\$8.2

NS is no longer the majority user of the two main line tracks between Manassas and Alexandria. VRE is. VRE service needs the track maintained to Class 4 standards. NS does not. NS proposes Rail Enhancement funds be used to pay for the higher capital maintenance required to support the VRE service.

- 2) Project Objectives:
Capital requirements to support Class 4 standard for VRE service.
- 3) Relationship to Other Projects under Development by Applicant or Previously Funded by this Program:
Year One of this multi-year project were funded in FY 2009
- 4) Describe the Public Benefits of Project. Identify significant types of benefits and beneficiaries from this project. (See Attachment A).
VRE passengers. Supports speed of service. Service speed enables faster train service, shorter schedules and an increased probability of maintaining schedules.

Attachment A – Project Data Information Form – Must be completed by Applicant and submitted with this application.

H. Type of Project:

- 1) ☐ New Construction ☒ Rehabilitation ☐ Study
- 2) ☒ Rail Infrastructure ☐ Rail Facility/Station
☐ Equipment/Rolling Stock ☐ Signals/Communication Equipment
- 3) Other _____

I. Application Scope of Work Covers:

☐ Entire Project ☒ A Phase of a Multi-Phase Project ☐ Completion Phase

J. Project Budget Summary:

Passenger Corridor Projects:	Alexandria – Manassas
Preliminary Services, Engineering, or Feasibility Study	
Environmental Evaluation	
Design Engineering	
Right of Way Acquisition	
Construction	\$8,000,000
Construction Management	
Lease/Acquisition of Equipment	
Public Involvement (if applicable)	
Other:	189,900
Subtotal	\$8,189,900

K. Attach detailed budget and schedule information. If the project is for final design, construction or procurement; then plans, specifications and reports to a preliminary engineering level (approximately 30%) should be provided to support the project cost and major features (if applicable). A sample budget and schedule is included in Appendix D.

L. Rail Enhancement Funds Requested in this Application: ~~\$5,127,303~~

Maximum 70% of Total Project Budget. 70%

Do not include any previous allocations or future phases.

\$ 5,732,929

JRF Correction

M. Local Match Required by Applicant:

Alexandria to Manassas \$2,197,415

At least a minimum 30% of Total Project Budget. 30%

If Overmatch, Provide Percentage _____

NS commits to 30% funding for the Alexandria to Manassas capital

1) Match breakdown by Source (Including any in-kind match):

- Provider of Local Match Norfolk Southern
- Status (confirmed/anticipated) confirmed
- Attach justification for value of in-kind match.

2) Other Funding Sources Beyond Match Requirement

- Provider of Overmatch _____
- Status (confirmed/anticipated) _____

Funding Allocation by Project	Alexandria – Manassas
Rail Enhancement Funding	\$5,127,303
Rail Enhancement Funding %	70%
NS match	\$2,197,415
NS Match %	30%
NS Overmatch %	0%
Total	\$8,189,900

4 5,732,929 DEPT Correction

N. Project implementation schedule (based in months). List major milestones of the project, including environmental review and public involvement points if applicable.

Alexandria – Manassas – 2010 Improvements:

<u>Milestone Description</u>	<u>Estimated Completion Date From Notice to Proceed</u>
○ Notice to Proceed	Start Point
○ Schedule work	1 month
○ Order Material	3 months
○ Drop Material	6 months
○ Complete work	12 months

O. Statement of how this project promotes or does not preclude dual/multi-access use.

This project is on Norfolk Southern owned right-of-way. VRE utilizes the route. The majority of trains on the route are VRE trains.

P. List additional users of rail line, facility, and/or equipment:
Amtrak, VRE

Q. Identify any possible environmental or other issues/concerns within the scope of this project.

None known at this time. All work would be done with NS right-of-way.

Required Attachments:

Application is not complete without items 1-5 completed by the Applicant and submitted with the Application.

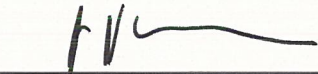
1. Attachment A – Project Data Information Form (provided)
2. Attachment B – Application Checklist (Provided)
3. Detailed cost, budget and schedule. Include preliminary engineering to 30% report, if applicable (Sample in Appendix D).
4. Certification of Match/% of Match/Documentation of Source of Match including Defined Match Source (To be provided by Applicant).
5. Certification of Additive Investment (To be provided by Applicant).
6. Statement from the Applicant/Owner of the facility that the SWAM participation goals will be achieved by the project.
7. Statement by the owner of the facility that acknowledges the Commonwealth will have a public interest in the facilities, materials, equipment and improvements funded or impacted by this project (To be provided by Applicant/Owner).

Application and Attachment Certification

To the best of my knowledge all information contained in this application and its attachments is true. The information provided to the Virginia Department of Rail and Public Transportation (DRPT) is subject to full disclosure except where protected by Virginia Code. Any additional documentation related to this application will be provided to DRPT upon request.

Authorized Signature and Title:

Norfolk Southern Railway Company



Name: John H. Friedmann
Title: Vice President

Date: 1/30/2009

One signed original, twelve copies, and an electronic copy in pdf format of the completed application and required documentation must be mailed under applicant cover to:

Director
Virginia Department of Rail and Public Transportation
1313 East Main Street, Suite 300
Richmond, Virginia 23219

Rail Enhancement Fund
Project Application Form

EXHIBIT I


Attachment E
Certification Of Match

Norfolk Southern: Alexandria – Manassas Passenger Service Capital Requirements

Norfolk Southern Railway Company ("Norfolk Southern") has applied to the Commonwealth of Virginia for Rail Enhancement Funds in the amount of \$8,189,900 in connection with the Norfolk Southern Alexandria – Manassas Passenger Requirements Project. As described in greater detail in Norfolk Southern's application, this project will encompass upgrading existing trackage to the standard required for Amtrak passenger service. NS freight service on this line is minimal and requires no more than a 10 mph maintenance standard for freight service.

As part of this application, Norfolk Southern hereby certifies that it will provide a local match equivalent to 30 percent of the estimated total project cost for which Rail Enhancement Funds are made available, or \$2,197,415. This match will be provided entirely by Norfolk Southern or one or more parents, subsidiaries or affiliates of Norfolk Southern.

NORFOLK SOUTHERN RAILWAY COMPANY
By:



Name: John H. Friedmann
Title: Vice President

Rail Enhancement Fund
Project Application Form

EXHIBIT I

Attachment F
Certification Of Additive Investment

Norfolk Southern: Alexandria – Manassas Passenger Service Capital Requirements


This letter certifies that the Virginia Rail Enhancement Funds requested in the accompanying application will add to the state's rail infrastructure and will not be used to replace funds that would have otherwise been spent in the Commonwealth.

Norfolk Southern's application requests funds for upgrading track between Alexandria and Manassas for the operation of passenger service. Passenger service requires a higher maintenance standard than the level at which NS would maintain the line for its current freight customer service.

Without Rail Enhancement Funds, this project will not be built.

In sum, Norfolk Southern certifies that the Virginia Rail Enhancement Funds requested in its application will be used as part of a public-private partnership for improvements that NS would not undertake alone.

NORFOLK SOUTHERN RAILWAY COMPANY
By:



Name: John H. Friedmann
Title: Vice President
Date:

Rail Enhancement Fund
Project Application Form

EXHIBIT I

Attachment G
Statement Of SWAM Participation

Norfolk Southern: Alexandria – Manassas Passenger Service Capital Requirements

January 30, 2009


To Whom It May Concern:

In connection with Norfolk Southern Railway Company's Rail Enhancement Fund Application for Alexandria – Manassas Passenger Capital Requirements, please accept this letter as the applicant's statement regarding small, women- and minority-owned business (SWAM) participation goals.

For project work that is not performed by Norfolk Southern's workforce, Norfolk Southern will undertake reasonable and good faith efforts to achieve the SWAM participation goal for the project through race-neutral and gender-neutral means that are lawful and non-discriminatory. We understand the project participation goal to be forty percent (40%) of the total value of contracts between Norfolk Southern and third parties for the performance of the project work. The success of Norfolk Southern's efforts will of course be impacted by the availability of qualified and willing small businesses and women- and minority-owned businesses within the market area of the project.

Thank you for considering Norfolk Southern's application.

Very truly yours,



John H. Friedmann
Vice President

Rail Enhancement Fund
Project Application Form

EXHIBIT I

Attachment D
Statement of Public Interest

Name of Applicant and Project:


Norfolk Southern: Alexandria – Manassas Passenger Service Capital Requirements

Statement from the owner of the facility that acknowledges the Commonwealth will have a Public Interest in Private Facilities impacted by this project

To Whom It May Concern:

At the appropriate time, NS will enter into an appropriate agreement to be negotiated with the Commonwealth of Virginia to protect the Commonwealth's public interest in the Alexandria – Manassas Passenger Speed Capital Requirements Project.

NORFOLK SOUTHERN RAILWAY COMPANY
By:



Name: John H. Friedmann
Title: Vice President



Rail Enhancement Fund
Project Application Form

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EXHIBIT I
Attachment A
Project Data Information Form

Date: 1/30/2009

Name of Applicant and Project:

Norfolk Southern: Alexandria – Manassas Passenger Service

General Instructions: Please complete the following forms that apply to the project application.

- For Freight Service projects, complete forms A1, A2 and A5
- For Intercity/Amtrak passenger projects, complete forms A1, A3 and A5
- For Commuter/VRE passenger projects, complete forms A1, A4 and A5
- For projects that involve benefits to both freight and passenger projects, form A1 and forms A2-A4 that apply must be completed. For each completed form A2-A4, a form A5 must be completed for each category for projects resulting in multiple project benefits.

Terms:

Project Cost and Construction period: Form A1 shall be completed with total project cost by year of expenditure with total DRPT cost identified by year of expenditure. This section must be completed for all project applications.

Demand Characteristics: This category of information relates to the additional demand for rail service (including freight and passenger) due to the project. This additional demand must be over and above baseline conditions that currently exist. The specific data to enter here defines initial demand, steady state demand, and the years until steady state demand is achieved.

Steady State Demand: This term refers to the point at which the project benefits/demand have reached a long-term, sustainable level.

Project Impact on Travel Distance: This category of information includes the distance that would be traveled by vehicle or train. All distances should be limited to miles within Virginia. The distance should relate directly to the project-impacted area.

Demand Characteristics for a 15-year Performance Period: This term refers to the project output by performance year, which will be utilized to determine that public benefits and to determine the performance requirements over the 15-year Performance Period of the Grant Agreement.

EXHIBIT I
Attachment A
Form A1 – Project Cost and Construction Period
Norfolk Southern: Alexandria – Manassas Passenger Service

First Construction Year: 2010

Last Construction Year: 2015

Year	Total Project COST	Total DRPT COST
2010	\$845,482	\$591,837
2011	155,182	108,627
2012	3,103,982	2,172,787
2013	2,386,182	1,670,327
2014	833,891	583,724
2015	865,182	605,627
Total	\$8,189,000	\$5,127,303

901 DRPT CORRECTION

6
5,732,929
DRPT
Correction

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

EXHIBIT I
Attachment A
Form A2 – Freight Service
Norfolk Southern: Alexandria – Manassas Passenger Service

No freight benefits – freight service does not require Class IV standards

Demand Characteristics	CATEGORY	UNITS	VALUE
	Steady state demand – diversion of freight to rail (from trucks)	Carloads/Year	n/a
	First year of diversion	Carloads/Year	n/a
	Number of years until steady state	Number of Years	n/a

Project impact on Travel Distance	CATEGORY	UNITS	VALUE
	Rail miles in Virginia (Existing routing before project)	Miles	n/a
	Rail miles in Virginia (routing after project completion)	Miles	n/a
	Number of years until steady state	Number of Years	n/a

Conversions	CATEGORY	UNITS	VALUE
	Railcars per Train	Railcars/Trains	n/a
	Rail tons per Railcar	Tons/Railcar	n/a
	Trucks per Railcar	Trucks/Railcar	n/a

Other	CATEGORY	UNITS	VALUE
	Change in Daily Delay for Freight Trains	Railcars/Trains	n/a
	Reduction in Number of Rail At-Grade Crossings	Tons/Railcar	n/a

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

EXHIBIT I
Attachment A
Form A3 – Passenger Service – Intercity/Amtrak
Norfolk Southern: Alexandria – Manassas Passenger Service

Demand Characteristics	CATEGORY	UNITS	VALUE
	Annual Amtrak passengers (existing)	Passengers/Year	27,865
	Steady State Demand – Additional Amtrak Passengers	Passengers/Year	60,965 proposed
	First Year Number of Additional Passengers	Passengers/Year	
	Number of Years Until Steady State	Number of Years	

Project Impact on Travel Distance & Time	CATEGORY	UNITS	VALUE
	Amtrak Passenger Trip Length (existing)	Miles	24 miles
	Amtrak Passenger Trip Length (After Project Completion)	Miles	24 miles
	Amtrak Travel Time Per Trip (existing)	Minutes	33 minutes
	Amtrak Travel Time Per Trip (After Project Completion)	Minutes	33 minutes

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

Project maintains passenger speed levels.
Freight service does not require Class IV standard.
Freight service requires Class I standard.
Without project, speed levels would fall to Class I standard.

EXHIBIT I
Attachment A
Form A4 – Passenger Service – Commuter/VRE
Norfolk Southern: Alexandria – Manassas Passenger Service

Demand Characteristics	CATEGORY	UNITS	VALUE
	Annual VRE passengers (existing)	Passengers/Year	3.5 million
	Steady State Demand – Additional VRE Passengers	Passengers/Year	
	First Year Number of Additional Passengers	Passengers/Year	
	Number of Years Until Steady State	Number of Years	

Project Impact on Travel Distance & Time	CATEGORY	UNITS	VALUE
	VRE Passenger Trip Length (existing)	Miles	24 miles
	VRE Passenger Trip Length (After Project Completion)	Miles	24 miles
	VRE Travel Time Per Trip (existing)	Minutes	33 minutes
	VRE Travel Time Per Trip (After Project Completion)	Minutes	33 minutes

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

Project maintains passenger speed levels.
Freight service does not require Class IV standard.
Freight service requires Class I standard.
Without project, speed levels would fall to Class I standard.

EXHIBIT I
Attachment A
Form A5– Demand Characteristics for 15-Year Performance Period

Norfolk Southern: Alexandria – Manassas Passenger Service

NS is not responsible for nor can NS guarantee Amtrak or VRE ridership

Assumption is that ridership would decrease with reduced speed.

VRE ridership 3.5 million per year

Amtrak ridership 27,865 per year

Proposed Alexandria to Lynchburg Amtrak service 33,100 new passengers.

Performance Year	Performance Value *
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
Total	

For Freight Service Projects – car loads or containers per year
For Inter-City/Amtrak Passenger Projects – passengers per year
For Commuter/VRE Passenger Projects – passengers per year



Rail Enhancement Fund
Project Application Checklist

Internal Use

DRPT Tracking #

EXHIBIT I

Attachment B

Date: 1/30/2009

Name of Applicant and Project:

Norfolk Southern: Alexandria – Manassas Passenger Service

Checklist for Application:

1. Project is consistent with goals of applicable adopted state, regional and/or local plans.

☒ YES ☐ NO

2. Project is an Additive Investment to Virginia.

☒ YES ☐ NO

3. Project provides for, or does not preclude, shared or dual access opportunity.

☒ YES ☐ NO

4. Applicant has provided documentation and certification of at least a minimum 30% match.

☒ YES ☐ NO

5. Applicant has provided an environmental review plan and/or public involvement plan, if applicable, and required budget for this activity as outlined in Appendix D.

☒ YES ☐ NO

6. Application is complete, including signature and specified number of hard copies and an electronic (pdf file) copy; and Applicant has reviewed the Standard Agreement as provided in Appendix C.

☒ YES ☐ NO

EXHIBIT I

Attachment C Project Background Information

Date: 1/30/2009

Name of Applicant and Project:

Norfolk Southern: Alexandria – Manassas Passenger Service

	Year 1 <u>2010</u>	Year 2 <u>2011</u>	Year 3 <u>2012</u>	Year 4 <u>2013</u>	Year 5 <u>2014</u>	Year 6 <u>2015</u>	<u>TOTAL</u>
Capital Requirements	845,482	155,182	3,103,982	2,386,182	833,891	865,182	\$8,189,900
NS	253,645	46,555	931,195	715,855	250,167	259,555	\$2,197,415
REF 70%	591,837	108,627	2,172,787	1,670,327	583,724	605,627	\$5,777,100



Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

Sarah Quisenberry
Director Strategic Planning
(757) 629 - 2686

February 10, 2009

Mr. Charles Badger
Acting Director
Department of Rail and Public Transportation
1313 East Main Street
Suite 300
Richmond, VA 23219

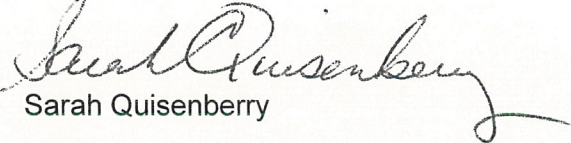
Re: FY 2010 NS Passenger Corridor Application

Dear Mr. Badger,

Attached please find a project budget and schedule for the projects proposed in the FY2010 Rail Enhancement Fund NS Passenger Corridor Application.

Please do not hesitate to contact me with any questions.

Respectfully yours,


Sarah Quisenberry

Enclosure

cc: Kevin Page, Chief of Rail Transportation, DRPT
Bruce Wingo, RVP Government Relations, NS

**Proprietary and Confidential
FOR NS AND DRPT PLANNING USE ONLY**

Alexandria to Manassas Passenger Speed Projects

Annual Schedule

<u>Milestone Description</u>	<u>Estimated Completion Date From Notice to Proceed</u>
○ Notice to Proceed	Start Point
○ Schedule work	1 month
○ Order Material	3 months
○ Drop Material	6 months
○ Complete work	12 months

Milestone dates are estimates only and there shall be no penalty for non-compliance.

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Alexandria to Manassas Passenger Speed Projects

Preliminary Estimate

Budget amounts are estimates only and there shall be no penalty for non-compliance.
Detailed project description and detailed budget will be presented to DRPT annually following
NS Engineering inspection of the line so that DRPT may issue a Notice to Proceed on the next
year's improvements.

	Year 1 <u>2010</u>	Year 2 <u>2011</u>	Year 3 <u>2012</u>	Year 4 <u>2013</u>	Year 5 <u>2014</u>	Year 6 <u>2015</u>	<u>TOTAL</u>
Capital							
Requirements	845,482	155,182	3,103,982	2,386,182	833,891	865,182	8,189,900
NS	253,645	46,555	931,195	715,855	250,167	259,555	2,197,415
REF 70%	591,837	108,627	2,172,787	1,670,327	583,724	605,627	5,127,303
						5,732,929	
						DRPT Correction	